

**MINUTES
REGULAR MEETING
UTILITY SERVICE BOARD
NOVEMBER 19, 2012**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, November 19, 2012.

The meeting was called to order by Chairman Wayne Schuetter.

TEMPORARY APPOINTMENT (DVD-00:53)

Due to the absence of Secretary Mike Harder, Wayne Schuetter stated that an Acting Secretary needs to be appointed. Rick Stradtner made a motion to appoint Doug Schulte as Acting Secretary for this meeting. Ken Sendelweck seconded the motion. Motion approved, 6-0.

UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:

Wayne Schuetter – Chairman
Rick Stradtner – Vice Chairman
Doug Schulte – Water Commissioner
Alex Emmons – Wastewater Commissioner
Greg A. Krodel – Gas Commissioner
Ken Sendelweck – Electric Commissioner

ALSO PRESENT:

Jerry Schitter – Electric Distribution Manager
Windell Toby – Electric Generation Manager
Michael A. Oeding – Gas & Water Manager
Ed Hollinden – Wastewater Manager
Bud Hauersperger – General Manager
Ashley Kiefer – Office Manager

ABSENT:

Mike Harder – Secretary
Renee Kabrick – City Attorney

LOSS OF EMPLOYEE (DVD-01:55)

Chairman Wayne Schuetter asked for a moment of silence to remember Greg Knies, an Electric Generation employee.

PLEDGE OF ALLEGIANCE (DVD-02:18)

Chairman Wayne Schuetter led the Pledge of Allegiance.

QUOTE OPENING: CHEMICALS FOR 2013- GAS & WATER (DVD-02:36)

Bud Hauersperger opened the chemical quotes and read them aloud. Quotes were received from the following companies:

1. Alexander Chemical
2. American Intl Chemical
3. Applied Specialties – no bid
4. Brenntag Mid-South
5. Chemical Resources
6. JCI Jones Chemicals – no bid
7. Kemira Water Solutions, Inc.
8. Mississippi Lime
9. Sal Chemical
10. Sterling Technologies – no bid
11. Univar USA, Inc.
12. USALCO – no bid
13. Water Solutions

All quotes included a Non-Collusion Affidavit, an Indiana Legal Employment Declaration, a Nepotism Policy Affirmation, and an Affidavit Regarding Non-responsibility. (Chemical Resources quote was missing a Non-Collusion Affidavit. Univar USA, Inc. quote was missing an Affidavit Regarding Non-responsibility.)

Mike Oeding asked to take the quotes under advisement and report back at the next meeting with a summary. Alex Emmons made a motion for Oeding to take the quotes under advisement and report back at the next meeting. Rick Stradtner seconded the motion. Motion approved, 6-0.

QUOTE OPENING: SALE OF 1990 OFF-ROAD FLOATER – WASTEWATER (DVD-16:50)

Bud Hauersperger opened the quotes and read them aloud as follows:

- | | |
|---|-------------|
| 1. Redd Moesner Farms, Inc.
Dale, IN | \$16,229.00 |
| 2. Keith Massey, Jr.
Dubois, IN | \$11,052.00 |
| 3. Phil Almon
Owensville, IN | \$12,650.00 |
| 4. Kenny Beckman
Dubois, IN | \$ 4,501.00 |

Ed Hollinden asked for permission to sell the 1990 off –road floater to Redd Moesner Farms for the high bid of \$16,229.

Greg Krodel made a motion to sell the 1990 off-road floater to Redd Moesner Farms for \$16,229. Doug Schulte seconded the motion. Motion approved, 6-0.

APPROVAL OF MINUTES (DVD-21:28)

Chairman Wayne Schuetter presented the minutes of the October 15, 2012 Regular Meeting and there being no corrections and no amendments, asked for a motion to approve the minutes. Rick Stradtner made a motion to approve the minutes of the October meeting as presented. Doug Schulte seconded the motion. Motion approved, 6-0.

2013 CAPITAL EXPENDITURE PLAN – ELECTRIC DISTRIBUTION (DVD-22:03)

Jerry Schitter presented his 2013 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

RECOMMENDATION ON RADIO REPLACEMENT QUOTES (DVD-24:28)

Schitter presented a quote to the Board from Advance Radio Communications for \$2,704.42 for radio replacement. This was the low quote and did meet specifications.

Ken Sendelweck made a motion to approve the purchase of the radio replacement from Advance Radio Communications for \$2,704.42. Doug Schulte seconded the motion. Motion approved, 6-0.

UPDATE ON CENTRAL SUBSTATION PROJECT (DVD-25:43)

Schitter informed the Board that all the new equipment has been installed for the Central Substation project upgrade. Everything is on line and back to normal as of last Friday. Schitter said that our linemen did a great job installing the equipment. He also thanked the substation personnel as well as the linemen.

JASPER CLEAN ENERGY MONTHLY REPORT (DVD-27:10)

Bud Hauersperger explained the Jasper Clean Energy monthly report for October to the Board. Hauersperger stated Jasper Clean Energy provided a Proposal to the City of Jasper for the long term lease of the Heidorn Property.

Bill Kaiser with Bingham, Greenbaum, and Doll reviewed the proposal from Jay Catasein or Renewable Technologies Integrators LLC and made sure it followed the Request for Proposals (RFP's) procedure. Kaiser stated that the proposal was very clean and covered the majority of the terms and conditions of the RFP sent out. Only one legal condition arose. Jay Catasein wants the right to sub-lease the property. The RFP sent out stated that one cannot sub-lease the property without written consent of the Utility Service Board and the City. Also, Catasein did not specify any new job creation, but did rely on the economic benefits of the primary proposal, which is to utilize natural gas and miscanthus grass in the main facility to generate electricity.

Kaiser felt like the response was complete. The next step would be to propose a lease and negotiate the necessary requirements. Once the negotiations are complete the proposal will come back to the Utility Service Board and the Common Council to seek approval.

Ken Sendelweck made a motion to have Bill Kaiser contact Jay Catasein regarding negotiations of the proposal. Doug Schulte seconded the motion. Motion approved, 6-0.

UPDATE ON LAWSUIT APPEAL (DVD-32:19)

Bill Kaiser informed the Board that the Court of Appeals issued a decision for a new trial on the case regarding the alleged violations of the Indiana Open Door Law. The Court of Appeals ordered that the City comply with prior discovery requests that were made by Dr. Kreilein and Healthy Dubois County. The Court of Appeals did not address the Open Door Law. The decision was on a procedural basis. Once Kaiser has time to review and analyze the decision, which came out today, he will work with the Mayor Seitz, Chairman Wayne Schuetter, and Attorney Renee Kabrick on how to proceed.

ELECTRIC PLANNING COMMITTEE REPORT (DVD-36:27)

Ken Sendelweck, Chairman of the Electric Planning Committee, stated the committee did not meet during the past month.

2013 CAPITAL EXPENDITURE PLAN – GAS & WATER (DVD-36:34)

Mike Oeding presented his 2013 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

BEAVER LAKE DAM PROJECT UPDATE (DVD-37:21)

Mike Oeding informed the Board that Burke Engineering is finishing up final documents on the Beaver Lake Dam project. There is still a little seeding and tree planting to complete, which the Water department will finish. The project is considered complete. He is just waiting for rain to fill up the lake.

NORTH WATER TOWER PROJECT UPDATE (DVD-38:02)

Derick Wiggins with Midwestern Engineers informed the Board about the updates on the North Water Tower project. Wiggins said that the painting on the project is complete but delivery of the mixing system has delayed things, as well as the weather and some wind issues. Final inspection of the mixing system and a holiday test will be performed tomorrow. The tank can be filled with water in 7 to 14 days due to cure time.

Overall the inspector is happy, except for the weather and delivery delays. Substantial completion date is in 2 days per contract agreement. Due to delays, the completion date will be later. Wiggins will request an extension of documented delays to justify the extended time.

PAYMENT APPLICATION FOR NORTH WATER TOWER PROJECT (DVD-43:30)

Bud Hauersperger asked for approval on two payment requests on behalf of Utility Service Co. for the North Water Tower Project. The first payment application was in the amount of \$83,475. The second payment application was in the amount of \$163,260. Total contract amount for the entire project was \$367,100. Wiggins approved both payment requests.

Doug Schulte made a motion to approve payment application request #1 to Utility Service Co. in the amount of \$83,475. Rick Stradtner seconded the motion. Motion approved 6-0.

Doug Schulte made a motion to approve payment application request #2 to Utility Service Co. in the amount of \$163,260. Ken Sendelweck seconded the motion. Motion approved, 6-0.

3RD AVENUE WATER LINE PROJECT UPDATE (DVD-48:22)

Mike Oeding informed the Board that he sent the new economic data information into EDA on October 26 and has not received a response from EDA at this time. Oeding stated that EDA has not announced when the next Public Works application is due. Oeding spoke to Lisa Gehlhausen, with Indiana 15 Regional Planning Commission, and she is making sure the City is still eligible for the grant. Gehlhausen will get back with Oeding regarding any updates.

SLUDGE APPLICATION (DVD-49:29)

Oeding informed the Board that he received a call from Ralph Perry. They are having trouble finding farmers to take the sludge from the lagoon for field application. The first lagoon is full and the Water department has switched over to the second lagoon. It has been 2 years since the first lagoon has been emptied. It is stacked up and needs to be emptied yet this fall or we will run out of storage and be in violation. Oeding and Hauersperger are looking at alternatives. The landfill will be a last resort. It was very expensive the last time we utilized their services.

GAS PLANNING COMMITTEE REPORT (DVD-51:22)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

WATER PLANNING COMMITTEE REPORT (DVD-51:30)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee did meet on November 13, 2012. The Committee reviewed the Water rate study results which H J Umbaugh performed. A Water rate study has not been done since 2009. At that time there was a 37% rate increase. The Committee reviewed the study from H J Umbaugh and looked at all the costs.

The Committee looked at future expenses and projects and decided not to suggest a rate increase at this time. The Committee feels Oeding did a good job with the Capital Expenditures and they are in a good position to stay exactly where they are at.

The Committee also reviewed the 2013 Capital Expenditures plan.

2013 CAPITAL EXPENDITURE PLAN – WASTEWATER (DVD-52:55)

Ed Hollinden presented his 2013 Capital Expenditure Plan to each Board Member and briefly reviewed the plan. He invited the Board Members to contact him with any questions or concerns.

Hollinden informed the Board that the bar screen inspection was excellent. He read the report aloud for the Board. The inspectors were very impressed with the maintenance on the bar screen.

PROPOSAL FOR TECHNICAL RE-EVALUATION OF OUR LOCAL LIMITS (DVD-55:48)

Hollinden informed the Board that the technical evaluation is a requirement for their NPDES permit and is performed every 5 years. Hollinden submitted a proposal from JR Environmental for a not to exceed amount of \$15,750. Hollinden checked with another environmental group that has done prior work with the City and their price was \$35,000. Hollinden feels that JR Environmental has quoted a good price and is comfortable with the company.

Doug Schulte made a motion to approve Hollinden's request for a not to exceed amount of \$15,750 from JR Environmental to perform the technical evaluation of our local limits. Ken Sendelweck seconded the motion. Motion approved, 6-0.

WASTEWATER PLANNING COMMITTEE REPORT (DVD-58:20)

Alex Emmons, Chairman of the Wastewater Committee, stated the committee did meet on November 14, 2012. The Committee discussed the revised Wastewater rate study results. In September 2012 a Wastewater rate study was completed by H J Umbaugh and came back with a suggested rate increase of 12.75%. At the time much discussion was had about increasing the rates more than 10%.

The Wastewater Committee asked Deen Rogers with Umbaugh to revise the rate study to allow for only a 9.5% increase, which would include Wastewater beginning to pay the PILOT (payment in lieu of taxes). The Wastewater department will begin paying a portion of the payment in lieu of taxes, which will be calculated into the rate increase of 9.5%. The Committee also decided to implement the increase all at one time instead of phasing in the increase.

The last Wastewater rate study was done in 2010. At that time the suggested rate increase was 2.5%, which the City did not implement. Now with the current rate study, the Committee is suggesting decreasing the rate increase 12.75% to 9.5%. Implementing the 9.5% increase would still make Jasper's rates lower than most surrounding communities.

The Committee discussed the 2013 Capital Expenditure Plan. The Wastewater plant is twenty years old and needs a lot of repairs and upgrades. The maintenance crew has done a great job of making equipment last and taking care of the plant. Inspectors commented that the bar screen at the Wastewater plant looks phenomenal and was well taken care of.

The Committee agreed to recommend a 9.5% increase in Wastewater rates, which includes Wastewater beginning to pay a portion of the PILOT (payment in lieu of taxes).

The Committee presented Resolution USB 2012-17, regarding amending its sewage works rates and charges.

Greg Krodel made a motion to approve Resolution 2012-17, recommending the 9.5% increase in sewage rates to the Common Council. Doug Schulte seconded the motion. Motion approved, 6-0.

IDENTITY THEFT PREVENTION PROGRAM REPORT (DVD-1:07:40)

Ashley Kiefer informed the Board that Jasper Municipal Utilities is required to prepare a yearly Identity Theft Prevention Program Report. There have not been any cases of identity theft or changes in the program in the past year. Next week office personnel will receive a refresher training course in identity theft prevention.

Alex Emmons made a motion to accept the yearly Identity Theft Prevention Program Report. The motion was seconded by Rick Stradtner. Motion approved, 6-0.

ASSET DISPOSAL AUTHORIZATIONS (DVD-1:08:47)

Ashley Kiefer gave the Board a copy of the 2012 Asset Disposal Authorization List to review. There being no questions, she asked for approval from the Board.

Doug Schulte made a motion to approve the asset disposal authorizations. Rick Stradtner seconded the motion. Motion approved, 6-0.

ECK-MUNDY BROADBAND CONSULTING PROPOSAL (DVD-1:10:03)

Bud Hauersperger presented a quote for a not to exceed \$2,500, to the Board from Eck-Mundy, to provide assistance with writing requests for proposals (RFP's). The proposals will cover a few items. Central e-mail storage and an infrastructure between the City facilities, which will provide fiber connection from City Hall to the other departments, are two of the proposals being written. Hauersperger decided that Utilities will pay for the study. Once the proposal results come back and the project is started, the cost will be split between the City and the Utilities. Everyone will benefit from the results.

Ken Sendelweck made a motion to approve the quote from Eck-Mundy for their assistance in writing the RFP's for a not to exceed amount of \$2,500. Alex Emmons seconded the motion. Motion approved, 6-0.

CAPITAL EXPENDITURES (DVD-1:15:48)

Ken Sendelweck commented regarding the purchase of the backhoe replacements on the Capital Expenditure Plans. The prices listed for the backhoes are dramatically different. Sendelweck suggested talking with the dealers about receiving package purchases to see if we can receive a better deal. Prices may fluctuate due to the new emission standards in the upcoming year and when the backhoes are purchased. Managers will check into this issue more.

FINANCE COMMITTEE REPORT (DVD-1:18:12)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Rick Stradtner made a motion to approve the claims as presented. Greg Krodel seconded the motion. Motion approved, 6-0.

There being no further business to come before the Board, the meeting was adjourned at 8:19PM upon motion by Alex Emmons and second by Doug Schulte. Motion approved, 6-0.

The minutes were hereby approved _____ with X without corrections this _____ day of _____, 2012.

Attest: _____
Secretary

_____ Chairman